

Return on Investment (ROI) Program Funding Application

This template was built using the ITD ROI Submission Intranet application.

FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Department is required to perform post implementation outcome audits for all Pooled Technology funded projects and may perform audits on other projects.

This is a Pooled Technology Fund Request. Amount of funding requested: \$100,000.00

Section I: Proposal

Date: 7/28/2003
Agency Name: Elder Affairs
Project Name: Iowa SEAMLESS Service Project
Agency Manager: Jim Matre
Agency Manager Phone Number / E-Mail: (515)242-3345 / jim.matre@dea.state.ia.us
Executive Sponsor (Agency Director or Designee): Greg Anliker

D. Statutory or Other Requirements

Is this project or expenditure necessary for compliance with a Federal law, rule, or order?

☒ YES (If "Yes", cite the specific Federal law, rule or order, with a short explanation of how this project is impacted by it.)

Explanation:

This is part of a Federal initiative to improve access to services for the elderly. Also governed by HIPAA.

Is this project or expenditure required by state law, rule or order?

☒ YES (If "YES", cite the specific state law, rule or order, with a short explanation of how this project is impacted by it.)

Explanation:

Necessary to comply with the States Medicaid (Title XIX) Waivers and Facilities (skilled and non-skilled) programs.

Does this project or expenditure meet a health, safety or security requirement?

☒ YES (If "YES", explain.)

Explanation:

Many Elder Iowans are not able to access critical care, jeopardizing their health and safety. This project is designed to overcome obstacles to the current complex system.

Is this project or expenditure necessary for compliance with an enterprise technology standard?

☒ YES (If "YES", cite the specific standard.)

Explanation:

Necessary to comply with HIPAA rules and regulations concerning personal health information.

[This section to be scored by application evaluator.]

Evaluation (20 Points Maximum)

If the answer to these criteria is "no," the point value is zero (0). Depending upon how directly a qualifying project or expenditure may relate to a particular requirement (federal mandate, state mandate, health-safety-security issue, or compliance with an enterprise technology standard), or satisfies more than one requirement (e.g. it is mandated by state and federal law and fulfills a health and safety mandate), 1-20 points awarded.

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E. Impact on Iowa's Citizens

a. Project Participants

List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, other levels of government, etc.) and provide commentary concerning the nature of participant involvement. Be sure to specify who and how many **direct** users the system will impact. Also specify whether the system will be of use to other interested parties: who they may be, how many people are estimated, and how they will use the system.

Response:

Department of Elder Affairs, Federal Government, Department of Human Services, Department of Public Health, Department of Administrative Services - Information Technology Enterprise, Area Agencies on Aging, Private Service Providers from Doctors and Hospital Discharge Planners to Nursing Homes and more.

b. Service Improvements

Summarize the extent to which the project or expenditure improves service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

Response:

Many of Iowas seniors have become disenfranchised from the medical care they need due to the complexities involved in obtaining these services. A direct result is many seniors living at risk every day to health-related trauma and death when timely access to the services they need and are authorized to receive will minimize or eliminate many of these daily risks.

Iowas seniors will have a No Wrong Door system that will allow all health providers the opportunity to work with their clients to access the service they need, where they need, without the service recipient having to try a hit-or-miss approach to services.

c. Citizen Impact

Summarize how the project leads to a more informed citizenry, facilitates accountability, and encourages participatory democracy. If this is an extension of another project, what has been the adopted rate of Iowa's citizens or government employees with the preceding project?

Response:

This project involves Department of Elder Affairs, the Federal Government (Administration on Aging), Department of Human Services, Department of Public Health, Information Technology Enterprise, Area Agencies on Aging (AAA), and will bring all service providers into the coordinated system. This project enables all these organizations to work in a mutual support environment to share the appropriate information necessary for them to ensure their client knows all services they are entitled to receive and can facilitate their registration and access to these services. Iowas Seniors will finally have open and easy access to the services they are authorized to receive.

d. Public Health and/or Safety

Explain requirements or impact on the health and safety of the public.

Response:

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- Minimally improves Customer Service (0-3 points).
- Moderately improves Customer Service (4-6 points).
- Significantly improves Customer Service (7-10 points).

[This section to be scored by application evaluator.]

Evaluation (15 Points Maximum)

- Minimally directly impacts Iowa citizens (0-5 points).
- Moderately directly impacts Iowa citizens (6-10 points).
- Significantly directly impacts Iowa citizens (11-15 points).

F. Process Reengineering

Provide a pre-project or pre-expenditure (before implementation) description of the impacted system or process. Be sure to include the procedures used to administer the impacted system or process and how citizens interact with the current system.

Response:

Currently, an Iowa Senior must go to each individual Agency and fill out applications for services they wish to receive. In many cases, these Clients have no knowledge of the services available. Additionally, State Service Workers at each agency usually are unaware of what services are available from other Agencies.

This means a Senior may have to stop in at anywhere from 5 to 15 different places, filling out eligibility paperwork for each individual service.

Provide a post-project or post-expenditure (after implementation) description of the impacted system or process. Be sure to include the procedures used to administer the impacted system or process and how citizens will interact with the proposed system. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

Response:

A senior can stop at any one of the participating Agencies and receive information on ALL the services available to them regardless of the Agency managing the service. In addition, as providers become involved in this system, the direct benefit of simpler service authorization and invoicing, they will be in a better position to assist their client with understanding and accessing all the services available to them.

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- Minimal use of information technology to reengineer government processes (0-3 points).
- Moderate use of information technology to reengineer government processes (4-6 points).
- Significant use of information technology to reengineer government processes (7-10).

[This section to be scored by application evaluator.]

Evaluation (5 Points Maximum)

- The timeline contains several problem areas (0-2 points)
- The timeline seems reasonable with few problem areas (3-4 points)
- The timeline seems reasonable with no problem areas (5)

H. Funding Requirements

On a fiscal year basis, enter the estimated cost by funding source: Be sure to include developmental costs and ongoing costs, such as those for hosting the site, maintenance, upgrades, ...

	FY05		FY06		FY07	
	Cost(\$)	% Total Cost	Cost (\$)	% Total Cost	Cost (\$)	% Total Cost
State General Fund	\$125,213	10%	\$0	0%	\$0	0%
Pooled Tech. Fund /IowAccess Fund	\$100,000	8%	\$0	0%	\$0	0%
Federal Funds	\$980,854	80%	\$0	0%	\$0	0%
Local Gov. Funds	\$0	0%	\$0	0%	\$0	0%
Grant or Private Funds	\$0	0%	\$0	0%	\$0	0%
Other Funds (Specify)	\$20,000	2%	\$0	0%	\$0	0%
Total Project Cost	\$1,226,067	100%	\$0	100%	\$0	100%
Non-Pooled Tech. Total	\$1,126,067	92%	\$0	0%	\$0	0%

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- The funding request contains questionable items (0-3 points)
- The funding request seems reasonable with few questionable items (4-6 points)
- The funding request seems reasonable with no problem areas (7-10)

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I. Scope

Is this project the first part of a future, larger project?

☒ YES (If "YES", explain.) ☐ NO, it is a stand-alone project.

Explanation:

This is year two of a three-year Federal project grant. This phase extends the initial planning and prototype deployment focusing on State Agencies.

Is this project a continuation of a previously begun project?

☒ YES (If "YES", explain.)

Explanation:

The final year will extend the work done in the first two project years and focus on extending the system to providers, additional populations, additional services, and integration with other State medical systems.

J. Source of Funds

On a fiscal year basis, how much of the total project cost (\$ amount and %) would be absorbed by your agency from non-Pooled Technology and/or IOWAccess funds? If desired, provide additional comment / response below.

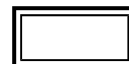
Response:

Elder Affairs and other project participants are providing monetary and other support for the development and each Agency will continue to absorb the operational costs of their components of the system. Essentially, following final deployment, 100% of ongoing costs and currently makes up 92% (\$1,126,067) of the total project costs.

[This section to be scored by application evaluator.]

Evaluation (5 Points Maximum)

- 0% (0 points)
- 1%-12% (1 point)
- 13%-25% (2 points)
- 25%-38% (3 points)
- 39%-50% (4 points)
- Over 50% (5 points)



Section II: Financial Analysis

A. Project Budget Table

It is necessary to estimate and assign a useful life figure to each cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all new annual ongoing costs that are project related.

The Total Annual Prorated Cost (State Share) will be calculated based on the following equation:

$$\left[\left(\frac{\text{Budget Amount}}{\text{Useful Life}} \right) \times \% \text{ State Share} \right] + (\text{Annual Ongoing Cost} \times \% \text{ State Share}) = \text{Annual Prorated Cost}$$

Budget Line Items	Budget Amount (1st Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1st Year)	% State Share	Annual Prorated Cost
Agency Staff	\$250,000	1	25.00%	\$100,000	25.00%	\$87,500
Software	\$65,000	6	25.00%	\$0	0.00%	\$2,708
Hardware	\$600,000	4	25.00%	\$30,000	25.00%	\$45,000
Training	\$100,000	6	25.00%	\$25,000	25.00%	\$10,417
Facilities	\$24,000	3	25.00%	\$0	0.00%	\$2,000
Professional Services	\$40,000	4	25.00%	\$0	0.00%	\$2,500
ITD Services	\$62,000	4	25.00%	\$15,000	25.00%	\$7,625
Supplies, Maint, etc.	\$50,000	1	25.00%	\$0	0.00%	\$12,500
Other	\$35,067	1	25.00%	\$0	0.00%	\$8,767
Totals	\$1,226,067	---	---	\$170,000	---	\$179,017

C. Tangible and/or Intangible Benefits

Respond to the following and transfer data to the ROI Financial Worksheet as necessary:

1. Annual Pre-Project Cost - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation. **Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation.

Describe Annual Pre-Project Cost:

Each client has to fill out separate eligibility paperwork to receive services. It takes approximately 1 hour of Service Worker time (\$40 per hour) and 1 hrs of Client time per application. Data entry of manually collected data is half hour per on average per application. The actual amount of time varies by the service (\$25 per hour).

While the majority of Seniors apply and receive multiple services, for conservative estimates we are using 1 application per client per year. However, the time savings involved on 2nd and additional applications is anticipated to be reduced by as much as 75% or more.

Quantify Annual Pre-Project Cost:

	State Total
FTE Cost (salary plus benefits):	\$1,575,000.00
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$0.00
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$0.00
Total Annual Pre-Project Cost:	\$1,575,000.00

2. Annual Post-Project Cost - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation. **Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process after project implementation.

Describe Annual Post-Project Cost:

Applications for Services time will be cut in half and the additional data entry time is eliminated. This occurs because Service Workers enter the data directly into the system instead of collecting it manually.

Quantify Annual Post-Project Cost:

	State Total
FTE Cost (salary plus benefits):	\$600,000.00
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$0.00
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$0.00
Total Annual Post-Project Cost:	\$600,000.00

3. Citizen Benefit - Quantify the estimated annual value of the project to Iowa citizens. This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of \$10 per hour for citizen time.

Describe savings justification:

Transaction Savings

Number of annual online transactions:	1
Hours saved/transaction:	1

Number of Citizens affected:	15,000
Value of Citizen Hour	20
Total Transaction Savings:	\$300,000
Other Savings (Describe)	\$0
Total Savings:	\$300,000

4. Opportunity Value/Risk or Loss avoidance - Quantify the estimated annual non-operations benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or Federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

Response:

This money leverages into Federal money at a 25%/75% basis. This translates to a loss of \$300,000 of Federal Funding.

5. Benefits Not Readily Quantifiable - List and summarize the overall non-quantifiable benefits (i.e., IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.).

Response:

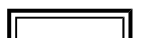
Iowas Seniors will finally receive vitally needed health services and support from their State.

ROI Financial Worksheet	
A. Total Annual Pre-Project cost (State Share from Section II C1):	\$1,575,000
B. Total Annual Post-Project cost (State Share from Section II C2):	\$600,000
State Government Benefit (= A-B):	\$975,000
Annual Benefit Summary:	\$975,000
State Government Benefit:	\$975,000
Citizen Benefit:	\$300,000
Opportunity Value or Risk/Loss Avoidance Benefit:	\$300,000
C. Total Annual Project Benefit:	\$1,575,000
D. Annual Prorated Cost (From Budget Table):	\$179,017
Benefit / Cost Ratio: (C/D) =	8.80
Return On Investment (ROI): ((C-D) / Requested Project Funds) * 100 =	1,395.98%

[This section to be scored by application evaluator.]

Evaluation (25 Points Maximum)

- The financial analysis contains several questionable entries and provides minimal financial benefit to citizens (0-8 points).
- The financial analysis seems reasonable with few questionable entries and provides a moderate financial benefit to citizens (9-16 points).



- The financial analysis seems reasonable with no problem areas and provides maximum financial benefit to citizens (17-25).



Note: For projects where no State Government Benefit, Citizen Benefit, or Opportunity Value or Risk/Loss Avoidance Benefit is created due to the nature of the project, the Benefit/Cost Ratio and Return on Investment values are set to Zero.

Appendix A. Auditable Outcome Measures

For each of the following categories, list the auditable metrics for success after implementation and identify how they will be measured.

1. Improved customer service

Number of applications using a common data set.

2. Citizen impact

Number of eligible seniors receiving services.

3. Cost Savings

Time reductions in intake process.

4. Project reengineering

Elimination of separate data entry of manually collected data.

5. Source of funds (Budget %)

N/A

6. Tangible/Intangible benefits

Iowas Seniors will find no wrong door for access to services.

[Return](#)